

# NEW MEXICO BULLETIN



## MEDICAL TAX BREAKS FOR SENIORS

### Assistance for Filers 65 and Older

Effective for the 2005 tax year and later years, anyone 65 years of age or older on the last day of the tax year -- including nonresidents required to file personal income tax in New Mexico -- can receive additional tax relief based on medical expenses if the filer meets certain conditions.

A new exemption of \$3,000 (Section 7-2-5.9 NMSA 1978) **and** a new credit of \$2,800 (Section 7-2-18.13 NMSA 1978) are available to filers 65 years or older who have unreimbursed and uncompensated medical expenses of at least \$28,000 during the tax year. The exemption and credit are offered in addition to the deduction for similar medical expenses offered on the PIT-1 form to all New Mexico filers (see the PIT-1 instructions for the list of deductible out-of-pocket expenses).

The tax breaks and conditions apply regardless of income level. It also makes no difference whether senior filers are covered by Medicare, Medicaid, other insurance or no insurance.

The conditions are:

- filers must be at least 65 years of age on the last day of the tax year;
- filers must have unreimbursed or uncompensated medical expenses of at least \$28,000;
- filers may not be dependents of other taxpayers, and
- the tax benefit applies to out-of-pocket medical expenses paid by taxpayers for themselves, their spouses or dependents.

Eligible claimants should check the instructions for form PIT-1 and schedules PIT-ADJ and PIT-RC beginning with tax year 2005. Instructions and forms are mailed to taxpayers who file paper returns and posted on the Department's home page during the last week of December.

For more information on the medical expense relief for seniors, please contact your local district office or call (505) 827-0827, the Personal Income Tax Unit. Addresses and telephone numbers of district offices are listed on the following page.

**New Mexico Taxation and Revenue Department**  
**P.O. Box 630**  
**Santa Fe, NM 87504-0630**

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The local state tax offices offer full service and information about New Mexico's taxes, tax programs, forms and specific information about your filing situation.

**ALBUQUERQUE (505) 841-6200**

Taxation and Revenue Department  
5301 Central NE  
P.O. Box 8485  
Albuquerque, NM 87198-8485

**LAS CRUCES (575) 524-6225**

Taxation and Revenue Department  
2540 S. El Paseo Bldg. #2  
P.O. Box 607  
Las Cruces, NM 88004-0607

**SANTA FE (505) 827-0951**

Taxation and Revenue Department  
Manuel Lujan Sr. Bldg.  
1200 S. St. Francis Dr.  
P.O. Box 5374  
Santa Fe, NM 87502-5374

**ROSWELL (575) 624-6065**

Taxation and Revenue Department  
400 Pennsylvania Ave., Suite 200  
P.O. Box 1557  
Roswell, NM 88202-1557

**FARMINGTON (505) 325-5049**

Taxation and Revenue Department  
3501 E. Main St., Suite N  
P.O. Box 479  
Farmington, NM 87499-0479

Main Switchboard: (505) 827-0700 (Santa Fe)

**General Information.** FYIs and Bulletins present general information with a minimum of technical language. All FYIs and Bulletins may be obtained without charge from all local tax offices, the Tax Information and Policy Office in Santa Fe and the Department's Internet site.

This information is as accurate as possible at time of publication. Subsequent legislation, new state regulations and case law may affect its accuracy. For the latest information please check the Taxation and Revenue Department's web site at [www.tax.newmexico.gov](http://www.tax.newmexico.gov).

**This publication provides instructions or general information to the taxpayer. It does not constitute a regulation or ruling as defined under Section 7-1-60, *New Mexico Statutes Annotated*, 1978. Taxpayers and preparers are responsible for being aware of New Mexico tax laws and rules. Consult the Department directly if you have questions or concerns about information provided in this Bulletin.**